

# Starlight U.S. Multi-Family (No. 5) Core Fund Improves Average Portfolio Vintage to 2012 with Acquisition in Orlando, Florida



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Toronto – **February 1, 2018** – Starlight U.S. Multi-Family (No. 5) Core Fund (TSX.V: STUS.A, STUS.U) (the “Fund”) announced today it has acquired Altis at Sand Lake (“Sand Lake”), a 315-suite multi-family property completed in 2016 and located in Orlando, Florida at 7118 Altis Way. The acquisition of Sand Lake improves the average vintage of the Fund’s portfolio from 2011 to 2012 and is expected to be immediately accretive.

The acquisition of Sand Lake was completed by utilizing a portion of the proceeds from a new revolving credit facility (“Credit Facility”) that is secured by six properties, including Sand Lake, for gross proceeds of approximately \$259.5 million. The Credit Facility has a five year term with an interest only rate of U.S. one-month LIBOR plus 2.00%. The Credit Facility proceeds will also be utilized to repay a tranche of financing on a recently acquired property in Dallas, Texas, lowering the interest rate on the financing secured on that property to U.S. one-month LIBOR plus 2.00% from a blended rate of approximately U.S. one-month LIBOR plus 3.00%. The remaining proceeds from the Credit Facility will be utilized to finance value-enhancing capital expenditures across the Fund’s apartment portfolio.

Pursuant to purchase and sale agreements made and entered into on January 10, 2018, as amended from time to time, the Fund indirectly purchased Sand Lake for a purchase price of approximately US\$69.3 million. In connection with the acquisition of Sand Lake, financing in the amount of approximately US\$50.7 million has been secured through the Credit Facility.

“The Credit Facility demonstrates the Fund’s continued success at implementing its strategy surrounding enhancing asset values and allows the Fund to execute on its business plan of improving the Fund’s portfolio vintage and implementing its value-enhancing capital expenditure program,” commented Evan Kirsh, the Fund’s President. “With the acquisition of Sand Lake, the Fund has added a high quality, newly constructed apartment community in one of the strongest performing markets in the United States.”

## **Sand Lake**

Sand Lake is located approximately 20 minutes from downtown Orlando, a major employment centre, and consists of 13 three-storey garden style apartment buildings on a 13.2 acre site. Each suite at Sand Lake features gourmet kitchens with granite countertops, under mount sinks, stainless steel appliances, pendant lighting, kitchen islands or breakfast bars and a full-size chef’s pantry. Suites also include wood-style plank flooring, in-suite washers and dryers, spacious soaking tubs, designer tile flooring, private balconies, additional storage, and, in select suites, direct access parking garages. Indoor amenities consist of a 24-hour fitness centre, a high energy game room, a luxurious modern clubhouse with an ultra-luxe theatre, free Wi-Fi, a Starbucks lounge, kitchen, billiards table and flat screen televisions, and a business centre. Exterior features include a resort-style saltwater swimming pool, an entertainment area with a fire pit, an outdoor kitchen with grills and televisions, a pet park, a community garden, a playground and an expansive courtyard with fountains as well as 130 direct access parking garages, a unique feature for the submarket. In the surrounding area, major employers include Sea World, Disney, Dr. Phillips Hospital, UCF Rosen College of Hospitality Management and the Darden headquarters. As of January 10, 2018, Sand Lake’s occupancy was 91.4%.

Following completion of the acquisition, the Fund retained Altman Management Company (“Altman”) to property manage Sand Lake. Altman currently manages two apartment communities, including Sand Lake, for Starlight U.S. Multi-Family in Orlando and Tampa, Florida.

### **The Fund Portfolio**

Following the acquisition of Sand Lake, the Fund has interests in and operates a portfolio comprising 7,442 multi-family suites in 24 recently constructed, Class “A” stabilized, income producing apartment communities with an average year of completion of 2012 and located in Arizona, Colorado, Florida, Georgia, Nevada, North Carolina, Tennessee and Texas.

### **About Starlight U.S. Multi-Family (No. 5) Core Fund**

The Fund is a limited partnership formed under the Limited Partnerships Act (Ontario) for the primary purpose of indirectly acquiring, owning and operating a portfolio of diversified income-producing rental properties in the U.S. multi-family real estate market.

### **Securities Law**

The acquisition of Sand Lake constitutes a “related party transaction” under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Fund relied on the exemptions from the formal valuation and minority approval requirements set out in subsection 5.5 (a) and paragraph 5.7 (1)(a) of MI 61-101, respectively. Sand Lake’s acquisition was approved by the Fund’s Board of Directors (other than Daniel Drimmer, who declared his interest in the acquisition of Sand Lake and was recused from voting) in accordance with the Fund’s amended and restated limited partnership agreement dated as of October 12, 2016.

### **Forward Looking Statement**

This news release contains statements that may constitute forward-looking statements within the meaning of Canadian securities laws and which reflect the Fund’s current expectations regarding future events, including statements concerning the future financial performance of Sand Lake, the overall financial performance of the Fund resulting from the acquisition of Sand Lake and the Credit Facility and the use of proceeds of the Credit Facility. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the Fund or the real estate industry are forward-looking statements. In some cases, forward-looking statements can be identified by terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “seek”, “aim”, “estimate”, “target”, “project”, “predict”, “forecast”, “potential”, “continue”, “likely”, “schedule”, or the negative thereof or other similar expressions concerning matters that are not historical facts.

The forward-looking statements in this news release involve risks and uncertainties, including those set forth in the Fund’s materials filed with the Canadian securities regulatory authorities from time to time at [www.sedar.com](http://www.sedar.com). Actual results could differ materially from those projected herein. Those risks and uncertainties include, among other things, risks related to: the overall financial performance of Sand Lake and the Fund’s portfolio resulting from the acquisition of Sand Lake and the Credit Facility; the use of proceeds of the Credit Facility; reliance on a wholly-owned subsidiary of Starlight Group Property Holding Inc., the Fund’s manager; the expected benefits of the ownership of Sand Lake; the property management of Sand Lake; the experience of the Fund’s officers and directors; substitutes for residential real estate rental suites; reliance on property management; competition for real property investments and tenants; and U.S. market factors.

Information contained in forward-looking statements is based upon certain material assumptions that were applied in developing such forward-looking statements including management's perceptions of historical trends, current conditions and expected future developments, as well as other considerations that are believed to be appropriate in the circumstances, including the following: the overall financial performance of the Fund's portfolio resulting from the acquisition of Sand Lake and the Credit Facility; the use of proceeds of the Credit Facility; the ability of the manager of the Fund to manage and operate the Fund's properties; the ability of the property managers selected to manage the Fund's properties; the population of multifamily real estate market participants; assumptions about the markets in which the Fund operates; the global and North American economic environment; foreign currency exchange rates; and governmental regulations or tax laws.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

To learn more about the Fund, visit [www.starlightus.com](http://www.starlightus.com) or contact:

**Evan Kirsh**  
President  
Starlight U.S. Multi-Family (No. 5) Core Fund  
+1-647-725-0417  
[ekirsh@starlightus.com](mailto:ekirsh@starlightus.com)

**Martin Liddell**  
Chief Financial Officer  
Starlight U.S. Multi-Family (No. 5) Core Fund  
+1-647-729-2588  
[mliddell@starlightinvest.com](mailto:mliddell@starlightinvest.com)